

## Message Text

UNCLASSIFIED

PAGE 01 BUENOS 05948 151213Z  
ACTION ARA-14

INFO OCT-01 ISO-00 FSE-00 ABF-01 OPR-02 AID-05 CIAE-00  
COME-00 EB-08 FRB-01 INR-07 NSAE-00 USIA-15  
TRSE-00 XMB-04 OPIC-06 SP-02 LAB-04 SIL-01 OMB-01  
DODE-00 PA-02 PRS-01 /075 W  
-----038085 151336Z /46

R 121800Z AUG 77  
FM AMEMBASSY BUENOS AIRES  
TO SECSTATE WASHDC 1747

UNCLAS BUENOS AIRES 5948

E.O. 11652: N/A  
TAGS: EFIN, AR  
SUBJECT: JULY COST OF LIVING - ARGENTINA

1. THE CONSUMER'S PRICE INDEX (CPI) ROSE 7.4 PERCENT IN JULY, BRINGING THE TOTAL CPI INCREASE DURING THE FIRST SEVEN MONTHS TO 64.1 PERCENT. THE ANNUAL RATE JULY 76-JULY 77 (156.3) WAS HIGHER THAN THE RATE RECORDED IN JUNE 148.9). IT WILL BE DIFFICULT TO LIMIT INFLATION TO THE 100 PERCENT ANNUAL RATE PROJECTED BY THE MINISTRY OF ECONOMY AT THE BEGINING OF 1977. IF INFLATION CONTINUES AT THE 6 TO 8 PERCENT/PER MONTH RATE RECORDED DURING THE JANUARY-JULY PERIOD, THE FULL-YEAR 1977 RATEWILL BE ABOVE 130 PERCENT.

2. DURING JULY THE CPI WAS KEPT AT A HIGH LEVEL BY SHARP PRICE INCREASES IN RENT (25 PERCENT FOR THOSE UNDER RENT CONTROL), FUEL AND ELECTRICITY 14.0 PERCENT) AND MISCELLANEOUS GOODS AND SERVICES (11.5). OTHER ITEMSINCREASED AS FOLLOWS: FOOD (6.1); CLOTHING 5.1). OTHER ITEMS ICREASED AS FOLLOWS: FOOD (6.1); CLOTHING (5.1); HOUSING FURNISHING AND OPERATION (8.2); MEDICAL CARE (8.7); TRANSPORATION AND COMMUNICATION (2.2) AND RECREATION AND EDUCATION (10.1).

3. THE WHOLESALE PRICE INDEX (WPI) ROSE AT A LOWER  
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RATE THAN THE CPI, WIDENING THERETAILERS' MARGING.  
THE WPI ROSE 5.6 DURING JULY, 59.9 PERCENT FOR THE FIRST SEVEN MONTHS OF 1977, AND 123.4 PERCENT FOR THE JULY 1976-JULY 1977 PERIOD.  
COMMENT: THE RISE IN CPI IN AUGUST WILL BE ABOUT THE SAME AS IN JULY REFLECTING THE SHAPR INCREASES IN PRICES OF FUELS (10 TO 72 PERCENT), AND

TRANSPORTATON (20 TO 50 PERCENT) WHICH BECAME  
EFFECTIVE AUGUST 1. IN AN EFFORT TO REDUCE  
INFLATIONARRY PRESSURES, THE GOA IS EXPECTED TO TAKE  
MORE AUSTERE BUDGETARY AND RESTRICTIVE MONETARY  
MEASURES DURING THE REMAINDER OF THE YEAR.  
CHAPLIN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COST OF LIVING, ECONOMIC DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 12-Aug-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Office:** ACTION ARA  
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**Original Handling Restrictions:** n/a  
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**Retention:** 0  
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**Subject:** JULY COST OF LIVING - ARGENTINA  
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**Type:** TE  
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**Review Markings:**  
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